

PATENT

Applicant Serial No. 09/609,598
Attorney Docket No. 00-023**REMARKS**

- Claims 1 – 66 are currently pending in the present application.
- Upon the entry of the amendments requested herein, claims 1 – 66 will remain pending.
- Of the pending claims, only claims 1, 55, 58 – 60, 65 and 66 are independent.

I. Telephone Interview

Applicants thank Examiner for extending the courtesy of a telephone interview on December 19, 2002. Discussed during the interview were the pending claims and exemplary embodiments of the claimed invention. In particular, the following exemplary embodiment of the claimed invention, with reference to claim 1, was discussed:

Example embodiment:

Applicants envision an online shopping site where a customer may submit an offer to purchase several items (*e.g.*, grocery items) in a shopping cart. As part of the offer, the customer may indicate a price the customer is willing to pay for all of the items in the shopping cart. However, rather than naming a particular brand or other specific detail for each item in the basket, the customer may rather define a description of each item in the basket and the retailer may select the specific product (*e.g.*, brand) to fulfill the customer's offer with. For example, the customer may submit an offer to purchase (i) toothpaste (*e.g.*, defining the product category as any 16 oz. tube of toothpaste from Colgate™, Crest™, or Arm and Hammer™); (ii) pasta sauce (*e.g.*, defining the product category as any 12 oz. jar of pasta sauce from Ragu™, Prego™, and Seven Brothers™); and (iii) orange juice (*e.g.*, defining the product category as any size container of juice from Tropicana™). This submission is recited in claim 1 as the step of "receiving an indication of a plurality of product categories, each product category being associated with a plurality of products". Returning to the example, the customer may indicate that he is willing to pay \$3.50 for the shopping basket of defined product categories. This step is recited as "receiving buyer offer information, including an indication of an offer amount associated with the plurality of product categories." Returning again to the example, the retailer may then select one particular item from each of the product categories. For example, the retailer (*e.g.*, based on costs and / or subsidies associated with each of the products defined by each respective product category) may select Crest™ from the toothpaste category, Prego™ from the pasta sauce category, and a ½ gallon container from the juice category. This process is recited as "selecting a subset of the plurality of products for each of the product categories." In other words, for each of the product categories that each define a plurality of products, a subset (*e.g.*, one) of the products is selected.

As Applicants stated during the telephone interview, the above example is only one possible embodiment that is encompassed by the pending claims and is not meant to be limiting in any manner.

PATENT

Applicant Serial No. 09/609,598
Attorney Docket No. 00-023

As also asserted by Applicants during the interview, one of the steps recited in many of the pending claims is not taught or suggested by the prior art. The step of selecting a subset of the plurality of products for each of the product categories is not taught or suggested by the prior art of record. Examiner agreed to re-evaluate the art in order to determine whether Examiner agreed with Applicants' assertion.

II. §102 Rejection

Claim 66 stands rejected under 35 U.S.C. §102(e) as being anticipated by U.S. Patent No. 6,058,379 to Odom et al. (hereinafter "Odom"). Applicants respectfully traverse this rejection. Odom does not teach or suggest each of the limitations of claim 66. In particular, Odom does not teach or suggest the step of "*providing buyer offer information, including an indication of an offer amount associated with the plurality of product categories*". Odom teaches a buyer providing an offer amount for a particular product. However, this offer amount is associated with the particular product that the buyer is bidding on. The offer amount in Odom is not associated with even a single product category, much less a plurality of product categories. Accordingly, Applicants respectfully request that the §102(e) rejection of claim 66 be withdrawn.

III. §103 Rejection

III(a). Independent Claims 1, 55, and 58

III.(a).(1). Prior Art Does Not Teach or Suggest Each Claimed Limitation

Claims 1, 55, and 58 stand rejected under §103(a) as being unpatentable over Odom in view of U.S. Patent No. 5,822,736 to Hartman et al. (hereinafter "Hartman"). Applicants respectfully traverse the rejection of these claims for the reasons set forth below.

Neither Odom nor Hartman, alone or in combination, teach or suggest the step of "*selecting a subset of the plurality of products for each of the product categories*." This step (or an analogous step) is recited in each of claims 1, 55, and 58.

Odom teaches a method for facilitating the exchange of a commodity between a buyer and a seller. In Odom the buyer accesses information about a commodity he is interested in purchasing and negotiates with the seller. There is no step of selecting a subset of a plurality of products for each of a plurality of product categories, as admitted by Examiner (pg. 4 – 5 of paper no. 2).

Hartman teaches a method of generating retail prices based on customer price sensitivity. Although products may initially be grouped into categories, a retail price is calculated for each product in each category. There is no step of selecting a subset of products for even a single product category, much less for each of a plurality of product categories.

Further, neither Odom nor Hartman teach or suggest the step of "*receiving buyer offer information, including an indication of an offer amount associated with the plurality*

PATENT

Applicant Serial No. 09/609,598
Attorney Docket No. 00-023

of product categories.” This step, or an analogous step, is recited in each of claims 1, 55, and 58.

Odom teaches receiving a buyer's bid for a particular product. Odom does not teach receiving an offer amount that is associated with a plurality of product categories. Hartman teaches determining a price for each of a plurality of products in a particular product category. The retailer places a product in a particular product category based on the customer price sensitivity associated with the product, as determined by the retailer based on his “feel” for customer price sensitivity or suggestions by more experienced retailers (see, for example, col. 5, lines 47 – 61). A retail price is then determined for each product in a particular category based on the price sensitivity associated with the category and the cost of the product. There is no teaching or suggestion in Hartman of receiving any buyer offer information, much less of such information including an offer amount that is associated with even a single product category. There is certainly no teaching or suggestion in Hartman of any buyer information that includes an offer amount that is associated with a plurality of product categories.

Because Odom and Hartman fail to teach each of the limitations of claims 1, 55, and 58, Applicants respectfully request that the §103(a) rejection of claims 1, 55, and 58 be withdrawn.

III.(a).(2). Claims 1, 55, and 58: Improper motivation to combine

Applicants also note that Examiner stated, in support of a motivation to combine Odom with Hartman, that “it would have been obvious to...modify the method of Odom to include the selecting a subset of the plurality of products for each of the product categories, as taught by Hartman, in order to assign varying price margins to the plurality of products based on the customer's selection.” (pg. 5 of paper no. 2).

First, this statement is not a proper supporting statement of why it would be obvious to combine reference but is a mere conclusory statement of the result that may be achieved from the combination of the prior art references. A combination of references or modification of references in an obviousness rejection must be adequately supported on the record, by pointing to a specific teaching in the references themselves and / or particular knowledge of one of ordinary skill in the art that would have led one of ordinary skill in the art to select the particular references in solving the problem of Applicants invention. See, for example, *In Re Lee*, 277 F.3d 1338, 61 USPQ2d 1430 (Fed. Cir. 2002), emphasizing the need for a rigorous application of the requirement for a of the teaching or motivation to combine prior art references. A proper obviousness analysis cannot be “limited to a discussion of the ways that the multiple prior art references can be combined to read on the claimed invention” (*In Re Dembiczak*, 175 F.3d 994, Fed. Cir. 1999, holding that the Board's failure to support its finding of obviousness by a suggestion, teaching, or motivation to combine the prior art references cited against the pending claims). “Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability--the essence of hindsight.” (*Id.*).

Second, it does not makes sense to combine the references as Examiner suggests. A person of ordinary skill in the art at the time of Applicants' invention would not have

PATENT

Applicant Serial No. 09/609,598
Attorney Docket No. 00-023

been motivated to combine Odom and Hartman because they are each directed towards non-analogous problems in non-analogous fields.

Odom is directed to a method for facilitating the sale of a commodity where a seller posts an item for sale and one or more buyers bid on the commodity. The sale price of the commodity is thus determined based on the bid price that the seller accepts. Hartman, in contrast, is directed to a method for generating a retail price for a product such that the retail price is competitive with that of other sellers, where a seller posts a retail price and a buyer either accepts the price and purchases the product or rejects the price and does not purchase the product. Accordingly, in the retail systems that Hartman is directed towards, a seller may lose a potential sale if the retail price for a product is too high since a customer may simply go to another seller that is offering the product for a lower retail price. That is why a seller in Hartman is concerned with posting a retail price that is neither too high or too low. In Odom, however, since the buyer bids on the commodity, there is no such concern about posting the most competitive retail price. If a buyer is not happy with a suggested sale price posted by a seller, the buyer may submit a bid that is a lower price. Accordingly, it does not make sense to combine the retail price generation feature of Hartman into the online bidding system of Odom.

Odom and Hartman are directed to non-analogous fields. Hartman is directed to the field of commercial retail sales where a retailer posts many SKUs and therefore has difficulty determining the most competitive retail price for each SKU as market conditions change. Odom, in contrast, is directed to the field of online bidding sales systems. A person of ordinary skill in the art working in one field would not be aware of the practices in the other field.

III.(b). Dependent claims 2 – 54, 56, and 57

Each of claims 2 – 54 is dependent on independent claim 1. Each of claims 56 and 57 is dependent on independent claim 55. Accordingly, claims 2 – 54, 56, and 57 include each of the limitations of the independent claim from which they are respectively dependent. In particular, each of the dependent claims include the step of “selecting a subset of the plurality of products for each of the plurality of product categories” (or an analogous limitation. Thus, Applicants respectfully submit that claims 2 – 54, 56, and 57 are each patentable at least for the same reasons as claims 1 and 55 and request that the §103(a) rejection of these dependent claims be withdrawn.

III.(b).(1). Dependent Claims 19 – 27 not taught or suggested by prior art

Regarding claims 19 – 27, Examiner states that Hartman teaches “selecting at least one of the selected products based on subsidy, wherein the subsidy is associated with at least one of the selected products, with at least one product that was not selected, and with a manufacturer of at least one of the selected products....[and] wherein the subsidy is associated with at least one of a buyer, a controller, and a merchant. (pg. 6 of paper no. 2). Applicants respectfully disagree that Hartman teaches or suggests such a feature.

A subsidy, as used in the claimed invention, “refers to any benefit that may be applied to a transaction. For example, a manufacturer may offer to provide a subsidy each time a particular product is selected by the transaction system.” Hartman does not teach selecting a product based on a subsidy. Hartman only teaches generating a price for

PATENT

Applicant Serial No. 09/609,598
Attorney Docket No. 00-023

each product in a category based on a cost of the product, a desired margin for the product, and the price sensitivity of customers that is associated with the category. There is no teaching or suggestion in Hartman of a subsidy being provided by an entity. As discussed above, Hartman does not teach selecting a subset of products from each of a plurality of product categories at all, much less doing so based on a subsidy.

III.(b).(2). Claims 19 – 27: Improper Motivation to Combine

Further, even if Hartman did teach selecting at least one of the selected products based on a subsidy (which Applicants assert it does not), Examiner's statement in support of the motivation to combine Odom and Hartman in the obviousness analysis of claims 19 – 27 is not a proper statement of a motivation to combine. Examiner merely states that it would have been obvious to modify the method of Odom to include the selecting of at least one of the selected products based on subsidy, as taught by Hartman, so as to provide a method that allows sellers or dealers more flexibility and direct control over the retail pricing of the products." (pg. 7 of paper no. 2). This is a mere conclusory statement of what result can be achieved by combining the prior art references (assuming the references teach what Examiner alleges) and is not proper because it is not supported by a particular teaching in the prior art references themselves or particular knowledge of one of ordinary skill in the art that would motivate one of ordinary skill in the art to make the suggested modification.

III.(b).(3) Dependent claims 34 – 39, 47 – 48 not taught or suggested by prior art

Regarding claims 34 – 39, 47 – 48, Examiner states that Hartman teaches that an offer from a buyer may be evaluated based on a transaction history, an address, demographic information, psychographic information, a credit rating, another offer, and an indication of a plurality of merchants and the steps of calculating a probability that an offer will be accepted based on the offer amount..." (pg. 7 – 8 of paper no. 2). Applicants respectfully disagree.

Upon careful review of Hartman, Applicants fail to see a teaching or suggestion of the above limitations of claims 34 – 39 and 47 – 48. Hartman does not teach or suggest receiving a buyer offer, much less evaluating a buyer offer based on any particular criteria. Hartman does not teach evaluating any information, much less a buyer offer, based on the particular criteria of these rejected claims. Hartman teaches assigning a product to a category of products associated with particular customer price sensitivity. Hartman does not teach or suggest how such price sensitivity may be determined for a category. Hartman merely suggests that a product may be assigned to a particular price sensitivity category based on the retailer's "feel" for the extent of customers' price sensitivity for the product or based on recommendations of other retailers. At most, Hartman suggests that retailers should perform market studies to determine customer price sensitivity for products (col. 4, line 2 – 5). If Examiner continues to rely on Hartman in rejecting claims 34 – 39, and 47 – 48, Applicants respectfully request that Examiner point to specific passages from Hartman in support of Examiner's rejection, so that Applicants may better understand Examiner's reasoning and respond appropriately thereto.

III.(c). Independent claim 59

PATENT

Applicant Serial No. 09/609,598
Attorney Docket No. 00-023

Independent claim 59 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Odom in view of Hartman. Independent claim 59 also stands rejected under 35 U.S.C. §103(a) as being unpatentable over Odom in view of Hartman and further in view of U.S. Patent No. 6,269,343 to Pallakoff (hereinafter "Pallakoff"). Applicants respectfully traverse this rejection for the reasons set forth below.

None of the prior art of record, alone or in combination, teaches or suggests each of the limitations of claim 59. In particular, none of the prior art of record teaches or suggests the following limitations:

"receiving from a buyer a binding buyer offer, including an indication of an offer amount associated with the first set of products and the second set of products"

"selecting a first product from the first set of products"

"selecting a second product from the second set of products, wherein at least one of the first product and the second product are selected based on an associated subsidy"

As discussed above, with reference to claims 1, 55, and 59, neither Odom nor Hartman, alone or in combination, teach or suggest selecting a subset of products from each of a plurality of product categories. Similarly, neither Odom nor Hartman, alone or in combination, teach or suggest selecting a first product from a first set of products and selecting a second product from a second set of products, especially where an indication of the first set of products and the second set of products has been received from a buyer. In Odom, the buyer that wishes to bid on a particular product selects the product. The buyer in Odom does not provide an indication of a set of products so that a particular product from the set of products may be selected for him. In Hartman, a retail price is determined for each of the products in a category of products and a single product from that category is not selected for any purpose. Further, Hartman does not teach or suggest receiving from a buyer an indication of any product category. In Hartman, the retailer determines which products are to be placed in which categories, with no input from a buyer.

Neither Odom nor Hartman teach or suggest receiving from a buyer a binding buyer offer, much less one that includes an indication of an offer amount associated with the first set of products and the second set of products. In Odom, the buyer may submit an offer to purchase a particular product. If that offer is forwarded to the seller of the product, the seller may choose whether to accept the offer or not. The offer from the buyer in Odom is not a binding buyer offer. As explained in the specification (at page 9, lines 25 - 29), a binding buyer offer is one that, if it is accepted by the transaction system, obliges the buyer who submitted it to purchase the selected products. Further, the offer from the buyer in Odom, besides not being a binding offer, does not include an offer amount that is associated with a first set of products and a second set of products. Odom only teaches a buyer submitting an offer for a particular product, not for two or more distinct sets of products, much less two distinct sets of products from which the system selects particular products.

Accordingly, since each of the limitations in claim 59 is not taught or suggested by either Odom or Hartman, alone or in combination, Applicants respectfully request that the §103(a) rejection of this claim be withdrawn.

PATENT

Applicant Serial No. 09/609,598
Attorney Docket No. 00-023

Since Hartman and Odom fail to teach the above-discussed limitations, as argued above, and Examiner has not asserted that Pallakoff teaches these limitations (which Applicants believe it does not), Applicants respectfully request that the §103(a) rejections of claim 59 be withdrawn.

III.(d). Independent claim 60 and dependent claims 61 - 64

Claims 60 - 64 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Odom in view of Hartman and further in view of U.S. Patent No. 5,905,975 to Ausubel (hereinafter "Ausubel"). Applicants respectfully traverse this rejection for the reasons set forth below.

III.(d).(1). Independent claim 60

First, Applicants note that Examiner appears to be relying on Ausubel only for purposes of teaching the feature of "applying a penalty to the buyer". Applicants further note that such a feature is not recited in independent claim 60 but is recited in dependent claims 61 and 62. Thus, Applicants are confused as to why Examiner has rejected independent claim 60 in view of Ausubel. Applicants are proceeding with this response on the assumption that Examiner meant to reject claims 61 and 62 based on Odom in view of Hartman and further in view of Ausubel and that claim 60 stands rejected based only on Odom in view of Hartman. If Applicants are erroneous in their understanding and Examiner is relying on Ausubel as teaching a limitation of claim 60, Applicants request that Examiner advise Applicants of this in a subsequent Office Action.

Turning now to independent claim 60, the combination of Hartman and Odom, does not teach or suggest each of the limitations of claim 60. As discussed above, neither Hartman nor Odom, alone or in combination, teaches or suggests the step of:

"receiving buyer offer information, including an indication of an offer amount associated with the plurality of product categories",

nor the step of

"selecting a subset of the plurality of products for each of the product categories."

As discussed above, Hartman does not teach or suggest receiving any buyer offer information, much less one including an offer amount associated with a plurality of product categories. Hartman merely teaches assigning a product to a product category based on a retailer's experience or feel for customers' price sensitivity for the product. As also discussed above, Odom also does not teach or suggest receiving buyer offer information that includes an offer amount associated with a plurality of product categories. Odom merely teaches receiving a buyer offer that includes an offer amount for a particular product. A particular product is not equivalent to a plurality of product categories.

Regarding the step of selecting a subset of the plurality of products for each of the product categories, Examiner asserts that Hartman teaches such a feature. As discussed above, Applicants respectfully disagree. Hartman teaches generating a retail price for

PATENT

Applicant Serial No. 09/609,598
Attorney Docket No. 00-023

each of the products in a product category. Hartman does not teach selecting a subset of products of a product category for any purpose, much less selecting a subset of products for each of a plurality of product categories.

Since neither Hartman nor Odom teach or suggest the above two limitations of claim 60, and since Examiner has not asserted that Ausubel teaches or suggest such a step (which Applicants believe it does not), Applicants respectfully request that the §103(a) rejection of claim 60 be withdrawn.

III.(d).(2). Dependent claims 61 and 62

First, since claims 61 and 62 are each dependent on claim 60 they each include all of the limitations of claim 60. Claim 60 is patentable over Odom and Hartman for the reasons set forth above and Examiner does not appear to be relying on Ausubel as teaching or suggesting any of the limitations of claim 60. Accordingly, Applicants respectfully submit that claims 61 and 62 are patentable at least for the same reasons as discussed with respect to claim 60.

Second, Applicants respectfully submit that Examiner's statement in support of the combination of Ausubel with the combination of Odom and Hartman is improper and thus Examiner has not established a prima facie case of obviousness regarding claims 61 and 62. Examiner states, in support of the combination of Odom, Hartman, and Ausubel, that "it would have been obvious to one of ordinary skill in the art...to modify the method of Odom and Hartman to include applying a penalty to the buyer, as taught by Ausubel, so as to allow the seller to respond to the buyer's offer in a reasonable way." (page 10 of paper no. 2). As discussed above, a mere conclusory statement of how prior art references can be combined is not a sufficient support on the record of why one of ordinary skill in the art would have made the combination. In order to establish a prima facie case of obviousness, Examiner must point to a specific teaching or suggestion in the prior art references themselves, or particular knowledge of one of ordinary skill in the art. Neither has been done here.

III.(d).(3). Dependent claims 63 and 64

Neither claim 63 nor claim 64 recite the feature of applying a penalty. Accordingly, as discussed with respect to independent claim 60, Applicants are assuming that claims 63 – 64 were meant to be rejected based on the combination of Odom and Hartman, and not on the combination of Odom, Hartman, and Ausubel. Again, if Applicants are incorrect in this assumption, Examiner is kindly invited to inform Applicants of this in a subsequent Office Action.

Since claims 63 and 64 are each dependent on claim 60 and include each of the limitations thereof, and claim 60 is patentable over the prior art of record for the reasons set forth above, Applicants respectfully request that the §103(a) rejection of claims 63 and 64 be withdrawn.

III.(e). Independent claim 65

Claim 65 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Odom in view of Hartman. Applicants respectfully traverse this rejection. Neither Odom

PATENT

Applicant Serial No. 09/609,598
Attorney Docket No. 00-023

nor Hartman, alone or in combination, teach or suggest each of the limitations of claim 65. In particular, neither Odom nor Hartman teach or suggest the step of:

"selecting a subset of the plurality of products for each of the product categories"

nor the step of:

"providing offer information, including an indication of an offer amount associated with the plurality of product categories"

Claim 65 is directed to the one or more embodiments of the present invention where a transaction system receives an indication of a plurality of product categories, selects a subset of products for each of the product categories, and provides an indication of how much it would cost (e.g., a buyer) to purchase the entirety of the subset of products from each of the product categories. Applicants note that, at the time the indication of the offer amount is provided, a buyer may or may not be aware of the subset of products that have been selected for each of the product categories. For example, in accordance with one or more embodiments that is consistent with claim 65, a buyer may submit the following product categories to a transaction system: (i) a tube of toothpaste of either Crest™, Colgate™, or Arm & Hammer™ brand, (ii) a 1 gallon container of orange juice of either Tropicana™ or Florida's Natural™ brand, and (iii) a 16 ounce container of pasta sauce of either Barilla™, Seven Brothers™, or Prego™ brand. The transaction system may then select Colgate™ for the toothpaste category, Tropicana™ for the orange juice category, and Barilla™ for the pasta sauce category. The transaction system may (before, after, or subsequent with providing the buyer with an indication of the selected products) provide the buyer with an offer to sell one product from each of the three categories of products to the buyer for a total of \$3.00. The buyer may then decide whether or not to accept the offer.

As discussed above, neither Odom nor Hartman, alone or in combination, teaches or suggests the step of selecting a subset of the plurality of products for each of the product categories. For purposes of brevity, the discussion of why neither Odom nor Hartman teach or suggest this step is omitted herein and Examiner is kindly invited to refer to the discussion of this step with respect to claim 1 above.

Regarding the step of providing offer information, neither Odom nor Hartman provide offer information that includes an offer amount associated with a plurality of product categories. Hartman does not teach or suggest providing any offer information to any entity, much less offer information that includes an offer amount associated with a plurality of product categories. Odom, while teaching that an offer from a buyer may be forwarded to a seller, does not teach or suggest providing offer information that includes an offer amount associated with the plurality of product categories. In Odom, an offer amount is provided by a buyer and is only associated with a particular product, not a plurality of product categories. Accordingly, Applicants respectfully request that the §103(a) rejection of claim 65 be withdrawn.

PATENT

Applic n Serial No. 09/609,598
Attorney Docket No. 00-023**VI. Conclusion and Petition for Extension of Time**

For the foregoing reasons it is submitted that all of the claims are now in condition for allowance and the Examiner's early re-examination and reconsideration are respectfully requested.

Alternatively, if there remains any question regarding the present application or any of the cited references, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is cordially requested to contact Magdalena M. Fincham at telephone number 203-461-7041 or via electronic mail at mfincham@walkerdigital.com.

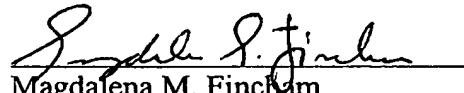
Petition for Extension of Time to Respond

Applicants do not believe any petition or fee for an extension of time with which to respond to the Office Action is due. However, if such a fee should be due, please charge it to our Deposit Account No. 50-0271. Please charge any additional fees that may be required for this Response, or credit any overpayment to Deposit Account No. 50-0271.

If an extension of time is required, or if an additional extension of time is required in addition to that requested in a petition for an extension of time, please grant a petition for that extension of time which is required to make this Response timely, and please charge any fee for such extension to Deposit Account No. 50-0271.

Respectfully submitted,

December 24, 2002
Date


Magdalena M. Fincham
Agent for Applicants
Registration No. 46,085
mfincham@walkerdigital.com
203-461-7041 / voice
203-461-7300 / fax